

CITY ATTORNEY'S IMPARTIAL ANALYSIS OF MEASURE –
SAN JOSE LIBRARY AND READING PROTECTION MEASURE

The proposed measure, if approved, would amend the San José Municipal Code to add a new chapter entitled "San José Library and Reading Protection Ordinance." The Ordinance would impose an annual special tax on parcels of land for library purposes ("Library Parcel Tax"). Under State law, passage of this measure requires two-thirds voter approval.

The Ordinance would continue library funding provided by the Library Benefit Assessment District, which was established in 1994 and expires on June 30, 2005. The proposed land use classifications and Library Parcel tax rates imposed on those classifications are the same as assessments charged pursuant to the Assessment District's formula: \$25 on single-family parcels, condominiums and townhomes and a proportional amount for multi-family and other types of residential, industrial, commercial, professional, and vacant parcels, based on their relative benefit from library services and the parcel size or number of units.

The Library Parcel Tax would be imposed at these rates in Fiscal Year 05-06. Commencing with Fiscal Year 06-07, the City Council may adjust the Library Parcel Tax rates by the inflation rate in the Bay Area, subject to a three percent cap. The Library Parcel Tax would expire on June 30, 2015.

The Ordinance exempts parcels owned by churches and religious organizations and used for religious worship and parcels owned by governmental entities.

The Ordinance provides that the City Council may adopt clarifying amendments and corrections to the Ordinance. However, voter approval is required to increase the Library Parcel Tax rate, other than inflation adjustments, or to extend the term of the tax.

The Library Parcel Tax would be collected by the County in conjunction with the collection of property taxes. Payment of the Library Parcel Tax is subject to the same requirements applicable to the payment of property taxes.

The Library Parcel Tax proceeds are required to be deposited into a special fund and used only for library purposes, including the acquisition of library books and materials and related costs of maintaining library collections; the development and delivery of homework and educational programs; the repair, equipping and staffing of libraries; and the cost of collection and administration of the Library Parcel Tax.

The Ordinance requires the City Council to appoint or designate an oversight committee to review the expenditure of the Library Parcel Tax proceeds. Annually, the City's Director of Finance must report in writing to the City Council for the prior fiscal year the amount of Library Parcel Tax receipts and the expenditures. Additionally, the City's

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independent auditor is required to annually audit the expenditure of the Library Parcel Tax proceeds.

Voting yes on this measure is a vote to approve the imposition of the Library Parcel Tax for a ten year period to be used only for Library purposes.

Voting no on this measure is a vote not to approve the imposition of the Library Parcel Tax.

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CITY OF SAN JOSE